

Maine Revised Statutes
Title 9-A: MAINE CONSUMER CREDIT CODE
Article :

§2-302. LICENSE TO MAKE SUPERVISED LOANS

1. The administrator shall receive and act on all applications for licenses to make supervised loans under this Act. Applications must be filed in the manner prescribed by the administrator and must contain the information required by the administrator to make an evaluation of the financial responsibility, character and fitness of the applicant.

A. For a lender subject to this subsection whose activities include making or arranging residential mortgage loans, an application for a license to make supervised loans must be made electronically, through the nationwide mortgage licensing system and registry. Licenses expire December 31st of each year and must be renewed through the nationwide mortgage licensing system and registry. An application for an initial license must be accompanied by a fee of \$250, and an annual renewal application must be accompanied by a fee of \$100. An application for an initial license or renewal for a place of business other than that of the applicant's first licensed location must be accompanied by a fee of \$100. An applicant must also pay a nationwide mortgage licensing system and registry processing fee in an amount to be determined by the administrators of the nationwide mortgage licensing system and registry. A nonprofit organization exempt from taxation under the United States Internal Revenue Code, Section 501(c)(3) and engaged in the financing of housing for low-income people under a program designed specifically for that purpose must pay an initial licensing fee, and a fee for each branch location, of \$20 and a renewal licensing fee and renewal fee for each branch location of \$10, plus the applicable nationwide mortgage licensing system and registry processing fee. [2013 , c . 466 , §1 (NEW) .]

B. For a lender subject to this subsection whose activities do not include making or arranging residential mortgage loans, an initial application for a license must be accompanied by a \$500 fee and a renewal application must include a \$200 fee. A license is granted for a 2-year period and expires on September 30th of the 2nd year. An application for an initial license or renewal for a place of business other than that of the applicant's first licensed location must be accompanied by a fee of \$200. [2013 , c . 466 , §1 (NEW) .]

[2013 , c . 466 , §1 (RPR) .]

1-A.

[2011 , c . 427 , Pt . B , §4 (RP) .]

2. A license to make supervised loans or as a mortgage loan originator may not be issued unless the administrator, upon investigation, finds that the financial responsibility, character and fitness of the applicant, and of the members thereof, if the applicant is a copartnership or association, and of the officers and directors thereof, if the applicant is a corporation, and, when applicable, the character and fitness of the mortgage loan originators thereof, are such as to warrant belief that the business will be operated honestly and fairly within the purposes of this Act. In determining the financial responsibility of an applicant proposing to engage in making insurance premium loans, the administrator shall consider the liabilities the lender may incur for erroneous cancellation of insurance.

A. Every applicant shall also, at the time of filing such application, file with the administrator, if the administrator so requires, a surety bond satisfactory to the administrator in an amount not to exceed \$50,000. The terms of the bond must run concurrent with the period of time during which the license will be in effect. The bond must run to the State for the use of the State and of any person or persons who

may have a cause of action against the licensee under this Act. The bond must be conditional that the licensee will faithfully conform to and abide by the provisions of this Act and to all rules lawfully made by the administrator under this Act and will pay to the State and to any such person or persons any and all amounts of money that may become due or owing to the State or to such person or persons from the licensee under and by virtue of this Act during the period for which the bond is given. [2013, c. 466, §2 (AMD) .]

B. As used in this section, the term "financial responsibility" means that the applicant has available for the operation of the licensed business net assets of at least \$25,000 and upon issuance of a license, each licensee shall maintain net assets of at least \$25,000 that are either used or readily available for use in the conduct of the business of each office of the licensee in which supervised loans are made. [2005, c. 164, §3 (AMD) .]

C. [1983, c. 720, §7 (RP) .]

D. In determining the financial responsibility of a nonprofit organization engaged in the financing of housing for low-income people under a program specifically designed for that purpose, the administrator may waive the requirement of a bond and availability of \$25,000 of net assets, if the applicant submits appropriate additional evidence of financial responsibility. [1989, c. 581, §5 (NEW) .]

[2013, c. 466, §2 (AMD) .]

3. Upon written request, the applicant is entitled to a hearing on the question of the applicant's qualifications for a license or registration if (a) the administrator has notified the applicant in writing that the application has been denied, or (b) the administrator has not issued a license or registration within 60 days after the application for the license or registration was filed. A request for a hearing may not be made more than 15 days after the administrator has mailed a writing to the applicant notifying the applicant that the application has been denied and stating in substance the administrator's findings supporting denial of the application.

[2005, c. 164, §4 (AMD) .]

4. A separate license is required for each place of business. Each branch location license application must be accompanied by a surety bond, in a form acceptable to the administrator, in the amount of \$50,000.

[2013, c. 466, §3 (AMD) .]

5. A licensee may conduct the business of making supervised loans only at or from any place of business for which he holds a license and not under any other name than that in the license. For purposes of this subsection, the closing of a supervised loan, secured by an interest in real estate, made by the licensee, at the office of an attorney or land title company, shall not be considered the making of a supervised loan at the place of business other than the licensee's licensed location. Loans made pursuant to a lender credit card do not violate this subsection.

[1987, c. 129, §35 (AMD) .]

5-A. A licensee subject to subsection 1, paragraph A may conduct the business of making supervised loans only through a mortgage loan originator who possesses a current, valid license.

[2013, c. 466, §4 (AMD) .]

6. Any supervised loan, otherwise valid under the provisions of this Act, made by any corporation or by any subsidiary or affiliate of any corporation to which a license is granted by the administrator on or before June 30, 1975, and to which said supervised loan is assigned, shall be deemed to have been made by a duly licensed licensee, provided the administrator finds that said corporation has made a good faith effort to comply with the licensing provisions of this Act.

[1975, c. 179, §2-A (NEW) .]

7.

[2013, c. 466, §5 (RP) .]

SECTION HISTORY

1973, c. 762, §1 (NEW). 1975, c. 179, §§2,2-A (AMD). 1983, c. 212, §5 (AMD). 1983, c. 720, §§6-8 (AMD). 1985, c. 763, §A25 (AMD). 1987, c. 129, §§34,35 (AMD). 1989, c. 581, §§4,5 (AMD). 1995, c. 614, §A2 (AMD). 1997, c. 727, §B5 (AMD). 1999, c. 184, §2 (AMD). 2005, c. 164, §§2-5 (AMD). 2005, c. 274, §2 (AMD). 2009, c. 243, §§1, 2 (AMD). 2011, c. 427, Pt. B, §§3-6 (AMD). 2013, c. 466, §§1-5 (AMD).

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